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GIFT CARD FRAUDSTER PLEADS GUILTY

SACRAMENTO--United States Attorney McGregor W. Scott announced today that TIMOTHY TRUONG, 43, pleaded guilty before United States District Judge Frank C. Damrell to possession of fifteen or more access devices, in connection with a gift card scheme in which he possessed thousands of cards.

The case is the product of a joint investigation by the U.S. Secret Service and the Yuba City Police Department (YCPD).

According to Assistant United States Attorney Matthew D. Segal, who prosecuted the case, on October 22, 2006, TRUONG was arrested outside a Wal-Mart in Yuba City. Wal-Mart employees had been monitoring TRUONG's activity, and when they suspected that he was engaged in fraud related to Wal-Mart gift cards, they called the YCPD. Police officers located TRUONG in a Cadillac Escalade and followed him as he fled, collided with two other vehicles, and ran, bleeding, through the parking lot and into a neighboring store. They arrested TRUONG in the store. In the Escalade, YCPD officers found 3,800 gift cards from various retail stores, two laptop computers, a magnetic card reader, a card printer, lists containing gift card numbers, and newly purchased merchandise. Earlier, TROUNG had been making purchases with forged gift cards and had been placing back on the store's racks gift cards that had the scratch-off material removed and the serial numbers exposed. This was consistent with a scheme to remove gift cards from the store, read the printed and electronic information on them, put them back in

the store for customers to purchase, and then, once the cards were activated by legitimate customers, access the funds.

On March 16, 2006 in Morris County, New Jersey, a Rockaway Police Department officer found TRUONG driving a van that contained over 10,000 gift cards, a magnetic card reader/writer, a laptop computer, power tools, and 186 cartons of cigarettes. By pleading guilty in Sacramento, TRUONG did not admit to possessing the gift cards in New Jersey. He has not yet been charged in that matter.

TRUONG is scheduled to be sentenced by Judge Frank C. Damrell on January 22, 2008 at 10:00 a.m. The maximum statutory penalty for access device fraud is ten years imprisonment and a \$250,000 fine. However, the actual sentence will be determined at the discretion of the court after consideration of the Federal Sentencing Guidelines, which take into account a number of variables, and any applicable statutory sentencing factors.

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